



# OLR RESEARCH REPORT

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## LAWS APPLYING TO WATER COMPANIES

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You asked for a list of the laws that apply to water companies, as defined in [CGS § 25-32a](#), by directly cross-referencing that statutory section, and a brief description of each law.

### SUMMARY

Under [CGS § 25-32a](#), a water company is an individual, municipality, or other entity that regularly supplies water to (1) two or more consumers (e.g., buildings such as a private dwelling or office building) or (2) 25 or more persons on a regular basis. This definition includes municipal and regional water utilities, but not state agencies, including the University of Connecticut.

By law, water companies, as defined by [CGS § 25-32a](#), must obtain a permit from the Department of Public Health (DPH) to sell, lease, assign, otherwise dispose of, or change the use of watershed land (Class I and II land). Any water supply system built, expanded, or used as a new source of water by a water company must be approved by DPH. The law also imposes recordkeeping and reporting requirements upon such companies.

We identified 30 statutory sections that also apply to these water companies by cross-referencing [CGS § 25-32a](#). These sections address a broad range of subjects, such as access to public records under the

Freedom of Information Act, tax credits for selling land to water companies, increased fines for speeding in a water company work zone, and allowing these companies to sell bottled water.

## **WATER COMPANY**

### ***Statutory Definition***

Under [CGS § 25-32a](#), a water company is any individual, municipality, partnership, association, corporation, or other entity, or its lessee, that owns, maintains, operates, manages, controls or employs a pond, lake, reservoir, well, stream, or distributing plant or system that regularly supplies water to (1) two or more consumers (e.g., buildings such as a private dwelling, apartment, or office building) or (2) 25 or more individuals on a regular basis. If an individual, municipality or other entity or lessee owns or controls 80% of the equity value of more than one such system or company, the total number of consumers or individuals supplied by the systems are considered owned by one company.

There are other statutory definitions of “water company.” For example, a water company under [CGS § 16-1](#) is a person (individual, business, firm, corporation, association, joint stock association, trust, partnership, or limited liability company) who owns, leases, maintains, operates, manages, or controls a pond, lake, reservoir, stream, well, or distributing plant or system to supply water to at least 50 consumers. It does not include municipal and regional water utilities.

### ***Attorney General Opinion on UConn Water Company Status***

In response to a request from UConn on whether the university is a water company under [CGS § 25-32a](#), the attorney general issued an opinion on November 29, 2000 ([opinion number 2000-032](#)) concluding that it is not one. State agencies are not subject to a law’s requirements unless the law has a specific reference to the state or its agencies. Therefore, the attorney general concluded that UConn is not subject to the state’s watershed land development restrictions for water companies because this definition of water company does not specifically refer to the state or its agencies. But UConn is subject to DPH regulation of drinking water quality as a different law ([CGS § 25-32\(a\)](#)) refers, and thus applies, to state agencies. [OLR Report 2002-R-1008](#) discusses the statutes under which agencies regulate UConn as a water supplier to its campuses.

Subsequently, the General Assembly considered legislation in 2001 ([SB 1208](#)) and 2003 ([SB 1094](#)) to make UConn a water company under [CGS § 25-32a](#), thus subjecting it to DPH regulation regarding the development and disposition of watershed lands. UConn submitted public hearing testimony on SB 1094 in which the university discussed the effect of making UConn a water company. Among other things, it referred to 26 statutory provisions that cross-reference [CGS § 25-32a](#) that would also apply to UConn if it were made a water company. The testimony emphasized the broad scope of topics involved and stated that these provisions are “uniquely tailored to the water utility business.” It cautioned that there are “unintended and, in some ways, unknown consequences” if these provisions were applied to UConn.

Among other things, because UConn is not considered a water company for purposes of [CGS § 25-32a](#), it is not required to submit water supply plans to DPH. UConn is not allowed to seek an injunction against existing and potential sources of pollution of water supply sources under [CGS § 25-51](#). It is also not entitled to receive notices of (1) zoning and other land use applications in aquifer zones and (2) building projects potentially affecting installation of backflow preventers, which are used to prevent cross-contamination of water distribution systems (see Table 1 below).

### **[CGS § 25-32a](#) CROSS-REFERENCES**

Table 1 summarizes the laws that apply to water companies, as defined in [CGS § 25-32a](#), by directly cross-referencing that statutory section. Unless the table specifies otherwise, references to a “water company” or “water companies” refer to these entities, as defined by [CGS § 25-32a](#). Even though the sections include a cross-reference to water companies (which does not include UConn), the university may still be subject to a section’s requirements if some noun other than “water company” (e.g., “person”) makes it apply. For example, if a section applies to both “persons” and “water companies,” UConn would be subject to the law if it is included in the definition of “person,” even though it is not a water company.

**Table 1: Laws Cross-Referencing [CGS § 25-32a](#) Definition of Water Company**

<b>Section</b>	<b>Description</b>
<a href="#">1-210</a>	Generally exempts from disclosure under the Freedom of Information Act records produced by water companies and other utilities when there are reasonable grounds to believe disclosure may result in a safety risk to a government-owned or -leased institution or facility.
<a href="#">4-67e</a>	Requires the Office of Policy and Management secretary to coordinate the regulatory activities of the Public Health and Energy and Environmental Protection commissioners regarding water companies.
<a href="#">7-131d</a>	Establishes a grant program that allows water companies to acquire and protect watershed land and allows them to make necessary improvements to protect or provide potable water.
<a href="#">7-131t</a>	Establishes the Charter Oak open space program and account that, among other things, provides grants to municipalities or nonprofit land conservation organizations to acquire certain watershed lands not owned by water companies.
<a href="#">8-3i</a>	Requires applicants to notify water companies when they file applications with local land use agencies for projects in aquifer protection zones or in water company watersheds.
<a href="#">8-387</a>	Excludes water lines that a water company must install under the statutes, a special act, a Public Utilities Regulatory Authority regulation or order, or a certificate of public convenience and necessity from Department of Economic and Community Development (DECD) financial assistance for infrastructure associated with housing developments.
<a href="#">12-217</a>	Exempts from gross income for corporation business tax purposes any capital gain from selling land to a water company that will be permanently preserved as open space or is on watershed water company land.
<a href="#">12-217dd</a>	Provides a 50% tax credit against the corporation business tax for any discount provided in selling land to a water company for use for water supply or for open space preservation.
<a href="#">14-212a</a>	Doubles penalties for speeding and certain other offenses when committed in a utility work zone, including one where water company work is being done.
<a href="#">16-50c</a>	Requires private water companies (as defined by CGS § 16-1) to notify any nearby water company when the private company wishes to sell or otherwise transfer its land and gives such water companies and other notice recipients a right of first refusal.
<a href="#">16-50d</a>	Gives water companies a right of first refusal to buy land offered for sale by a private water company for water supply purposes (as defined by CGS § 16-1).
<a href="#">16-262r</a>	Governs how a private water company (as defined by CGS § 16-1) recovers its costs in providing satellite management services to a water company.
<a href="#">19a-37d</a>	Requires notification of the local water company when (1) an irrigation system or other system is installed that connects a public water distribution system and any other water system or (2) a permit application is filed with the local building inspector concerning any project that includes a change of use or installation of facilities in a building that may affect the performance of, or require the installation of, a backflow preventer or related devices.
<a href="#">19a-332</a>	Excludes the removal or repair of asbestos cement pipe by water company employees from the laws regulating asbestos abatement.
<a href="#">22a-42f</a>	Requires an applicant to notify a water company when an application is filed to conduct a regulated activity in an inland wetland or watercourse that is also located in the company's watershed, if there is a map in the land records and with the inland wetlands agency showing the watershed's boundaries.
<a href="#">22a-118</a>	Requires (1) including a map showing the proximity of a proposed hazardous waste facility site to water company properties when applying for a certificate of public safety and necessity with the Connecticut Siting Council for the construction or modification of a hazardous waste facility and (2) notifying water companies that own land or facilities or serve customers in the town where the site is located or within five miles of the site.
<a href="#">22a-377</a>	Exempts certain water company diversions that are necessary to protect the security of public water supplies from registration, reporting, and permitting under the Connecticut Water Diversion Policy Act.

**Table 1 (continued)**

<b>Section</b>	<b>Description</b>
<a href="#"><u>22a-402</u></a>	Authorizes municipal chief elected officials to inspect dams controlled by a water company if there is a public safety concern and notification is provided to the Energy and Environmental Protection commissioner and the company.
<a href="#"><u>22a-471</u></a>	Provides grants to certain water companies to render a water supply usable for potable drinking water.
<a href="#"><u>22a-475</u></a>	Makes certain water companies "eligible public water systems" for the purposes of providing project loans for DPH-approved public water system projects.
<a href="#"><u>25-32d</u></a>	Requires certain water companies (serving at least 1,000 people or 250 consumers) to submit water supply plans to the public health commissioner for approval.
<a href="#"><u>25-32k</u></a>	Requires certain water companies (serving at least 1,000 people or 250 consumers) to annually provide educational materials to residential customers on (1) water conservation, (2) water source protection, and (3) the health effects and sources of lead and copper.
<a href="#"><u>25-32m</u></a>	Allows water companies to sell bottled water or establish an entity to sell such water.
<a href="#"><u>25-33a</u></a>	Allows the State Bond Commission to issue bonds for grants to water companies with less than 10,000 customers for treating a contaminated water supply.
<a href="#"><u>25-33k</u></a>	Allows water companies to submit comments on applications for a permit to abandon a water supply source.
<a href="#"><u>25-37b</u></a>	Establishes a classification system for water company lands and a permit process for proposed changes in use or control over such lands.
<a href="#"><u>25-43</u></a>	Prohibits allowing pollutant or harmful substance to be put on land in a way that it will be carried into a reservoir, lake, pond, or stream that provides water to residents when a water company provides written notice that it is damaging to the water supply.
<a href="#"><u>25-43c</u></a>	Allows sport fishing from designated areas or on boats powered by oar or certain electric motors if a water company allows it.
<a href="#"><u>25-51</u></a>	Allows water companies to (1) go to Superior Court for an order to stop or prevent pollution from damaging a public water supply reservoir or a related watershed and (2) inspect premises in a watershed tributary to the water supply.
<a href="#"><u>32-222</u></a>	Excludes water lines that a water company must install under the statutes, a special act, a Public Utilities Regulatory Authority regulation or order, or a certificate of public convenience or necessity, from DECD financial assistance for site and infrastructure improvements of municipal or business development projects.

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